

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

November 20, 2003

D. Billye Sanders, Esq.
Waller Lansden Dortch & Davis
511 Union Street, Suite 2100
Nashville, Tennessee 37219-8966

RE: Docket # 03-00581

Dear Ms. Sanders:

CLEC applicants are required, by statute, to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. To assist the Authority in its review of Tennessee Independent Telecommunications Groups LLC d/b/a Iris Networks application for a Certificate of Convenience and Necessity to provide competing facilities-based local services in Tennessee, you are requested to provide the following information:

1. Provide a copy of the license of Iris Networks to do business in Tennessee.
2. Please provide The Operating Agreement between Tennessee Independent Telecommunications Groups LLC d/b/a Iris Networks ("Iris") and the members of the Limited Liability Company.
3. Please provide the disclosures to the financial statements provided as required by generally accepted accounting principles.
4. Provide information concerning the Long Term Note Payable as listed on the Balance Sheet of \$11,506,526. Who is it payable to? What are the terms?
5. Provide a breakdown of the \$108,000 in Professional Fees on the *Statements of Operations and Accumulated Deficit*.
6. Do Tennessee Independent Telecommunications Groups LLC d/b/a Iris Networks and the members of the LLC that operate as regulated Companies, i.e., Ardmore Telephone Company and Loretto Communications Services, Inc. share any expenses or have any common employees? If so, please list the company and the expenses shared.
7. Will the regulated Companies share in any revenues or earnings of Tennessee Independent Telecommunications Groups LLC d/b/a Iris Networks?

8. Funding is stated to be provided by the owners via equity investments. What amount will be funded and when will it be provided? If any funding is expected from regulated entities, provide a listing of the regulated entity and the amount funded by that entity.
9. On March 10, 2000, the Tennessee General Assembly enacted Public Chapter 586 which amends Tennessee Code Annotated §65-4-125, "Changes in telecommunications service provider - Regulation - Enforcement." Section 3 of this act states as follows:
Section 3. Tennessee Code Annotated, Section 65-4-125, is amended by adding the following as a new, appropriately designated subsection:
 - j. By September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public [pay] telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated, Section 65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million dollars (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the authority.

Pursuant to the above statute, the following will be due to the Tennessee Regulatory Authority ("TRA"), prior to completing the processing of your application for a Certificate of Public Convenience and Necessity:

1. A corporate surety bond in the amount of \$20,000; or
2. An irrevocable letter of credit in the amount of \$20,000; or
3. Documentary evidence that you own and operate equipment facilities in Tennessee worth more than \$5,000,000.

Please provide this information by December 1, 2003. If you have any questions concerning this request or need additional information, please call Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,



Joe Werner
Telecommunications Chief